

EXHIBIT 4

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IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
Chapter 11
CASE NO. 08-13555 (JMP)
Jointly Administered

IN RE: LEHMAN BROTHERS
HOLDINGS, INC. et al.

Debtors,

VIDEOTAPED TRANSCRIPT OF
DEPOSITION OF PETER SHAPIRO

TRANSCRIPT of the stenographic
notes of the proceedings in the
above-entitled matter, as taken by and
before TAB PREWETT, a Registered
Professional Reporter, a Certified
Shorthand Reporter, a Certified LiveNote
Reporter, and Notary Public, held at the
Offices of JONES DAY, 222 East 41st Street,
New York, New York, on Thursday, October
16, 2014, commencing at 10:07 a.m.

1 Peter Shapiro

2 valuation numbers.

3 Q And what's the distinction
4 between this version just looking at
5 valuation numbers and the loss calculation
6 memorandum?

7 A The loss calculation memorandum
8 was more rigorous.

9 Q And what is not rigorous about
10 this analysis?

11 A It doesn't go through each of
12 the components of spread in detail as the
13 loss calculation memorandum does.

14 Q Is the fundamental methodology
15 between this memorandum and the loss
16 calculation memorandum the same?

17 A The fundamental methodology
18 meaning the basic architecture that is not
19 looking at what the inputs are into spread
20 and the like. Yes.

21 Q That you would look by -- you
22 would start by looking at the cash flows of
23 the reserve fund agreement and analyzing
24 those?

25 A Correct.

1 Peter Shapiro

2 Q I know, but the way this
3 process works is I ask you questions.

4 A I understand. I was trying to
5 get away with asking you a question.

6 Q So did you discuss with
7 Mr. Vergara before this memorandum was
8 drafted regarding the methodology he
9 describes in this memorandum?

10 A Did I discuss the methodology
11 used in this memorandum? Yes.

12 Q With Mr. Vergara?

13 A Yes.

14 Q And you both agreed that it was
15 the appropriate methodology used to value
16 the reserve fund agreement?

17 A In general terms, yes, the
18 general architecture, the general approach,
19 yes.

20 Q And that general approach being
21 to model an interest rate swap and analyze
22 the cash flows of the reserve fund
23 agreement, correct?

24 A You are using "analyze the cash
25 flow." I would cut -- cut it off and say

1 Peter Shapiro

2 analyze it as though it were an interest
3 rate swap.

4 Q Okay. If you look at the third
5 paragraph of this memorandum, it starts by
6 saying:

7 "In order to value the reserve
8 fund agreement, we began by analyzing the
9 cash flows."

10 A Yes.

11 Q Do you agree with that
12 statement?

13 A That you begin by looking at
14 it -- what -- the cash flow being one guy
15 pays fixed, the other guy pays floating.

16 Q And then you model that fixed
17 and floating as if it were a swap?

18 A Correct.

19 Q Now, if you look at the second
20 page of this memorandum, the
21 next-to-the-last paragraph that
22 starts, "Given this dramatic widening," do
23 you see that?

24 A Yes.

25 Q The first sentence is:

1 Peter Shapiro

2 analyzing the RFA cash flows."

3 Do you see that?

4 A Yes.

5 Q If you look at Shapiro

6 Exhibit 37, it says at the beginning of the

7 third paragraph:

8 "In order to value the reserve

9 fund agreement, we begin by analyzing the

10 cash flows."

11 Do you see that?

12 A Yes, I do.

13 Q So depending -- it doesn't make

14 any difference whether you are calculating

15 TSA's loss or whether you are determining

16 the value of the reserve fund agreement,

17 you start by analyzing the reserve fund

18 agreement's cash flows, correct?

19 MR. LAWRENCE: Objection.

20 Argumentative.

21 Q You can answer.

22 A I would say that's correct.

23 Q And that there are two cash

24 flows that need to be analyzed as we

25 discussed, the fixed leg and the floating

1 Peter Shapiro

2 leg, correct?

3 A Correct.

4 Q Regardless of whether you are
5 valuing the reserve fund agreement or
6 calculating loss, correct?

7 A Right.

8 Q If you go to the fifth
9 paragraph of the memorandum -- sorry -- of
10 Shapiro 38, which is on page SFG 2383, it's
11 the first full paragraph on that page. It
12 says, "The use of a LIBOR plus spreadsheet
13 analysis" -- do you see that?

14 A Yes.

15 Q And then if you look at the
16 fourth paragraph of Shapiro Exhibit 37, it
17 starts -- it says:

18 "The use of a swap to value
19 agreements of this type is a broadly
20 accepted market methodology."

21 Versus Shapiro Exhibit 38 says:

22 "The use of a LIBOR plus spread
23 analysis with an interest rate swap to
24 value agreements like the RFA is the
25 broadly accepted market methodology."

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CERTIFICATE

I, TAB PREWETT, A Registered Professional Reporter, Notary Public, Certified LiveNote Reporter, and Certified Shorthand Reporter, do hereby certify that prior to the commencement of the examination PETER SHAPIRO was sworn by the notary public to testify the truth, the whole truth and nothing but the truth.

I DO FURTHER CERTIFY that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

Notary Public

My Commission expires February 9, 2019
Dated: October 19, 2014